



Maryland
Department of
the Environment



Maryland
Energy
Administration

Building Energy Transition Implementation Task Force

Meeting #1

June 29, 2023



Task Force Charge (part 1 of 2)



State law (MD Code, Environment Article § 2-1602) requires the Task Force to:

- Study and make recommendations regarding the development of complementary programs, policies, and incentives aimed at reducing greenhouse gas emissions from the building sector in accordance with this subtitle;
- Make recommendations on targeting incentives to electrification projects that would not otherwise result in strong returns on investment for building owners; and
- Develop a plan for funding the retrofit of covered buildings to comply with building emissions standards.



Task Force Charge (part 2 of 2)



The plan developed under this subsection may include recommendations related to:

- The creation of commercial tax credits or direct subsidy payments for building decarbonization projects;
- The creation of financial incentives through EmPOWER Maryland and other state programs to support all aspects of the transition to electrified buildings;
- The establishment of low-income household holistic retrofit targets and heat pump sales targets; and
- The use of options such as on-bill, low-interest financing to spread out the up-front costs associated with electrification retrofit upgrades.

On or before December 1, 2023, the task force shall report its plan to the Governor and, in accordance with § 2–1257 of the state government article, the General Assembly.



Building Decarbonization Plans and Policies: A Brief Overview

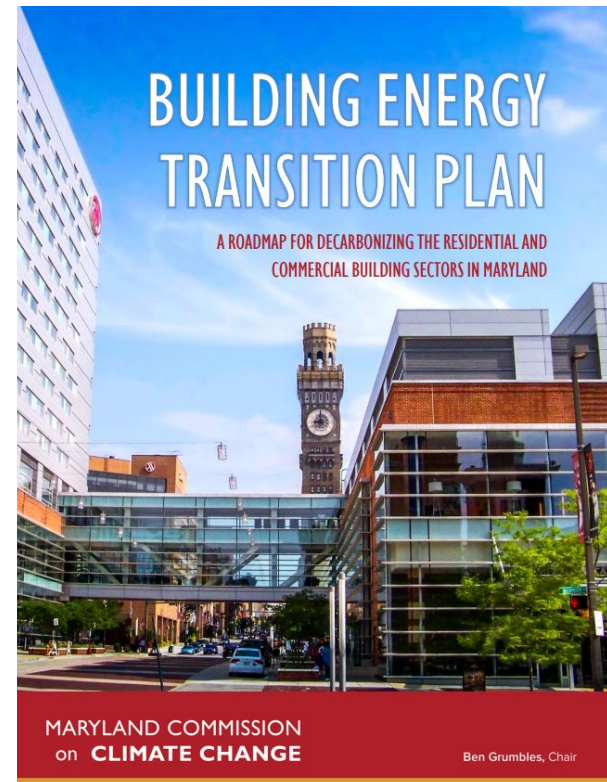


Maryland's 2030 Greenhouse Gas Reduction Act (GGRA) Plan called for:

- Fossil fuel heating to be converted to efficient electric heat pumps powered by increasingly clean and renewable Maryland energy
- The Maryland Commission on Climate Change (MCCC) to develop a Building Energy Transition Plan

The Building Energy Transition Plan called for several new policies:

- Adopt an All-Electric Construction Code
- Develop a Clean Heat Retrofit Program
 - Retrofit 100% of low-income households by 2030; encourage fuel-switching and beneficial electrification through EmPOWER; target 95 percent of heating equipment sales to be heat pumps by 2030; etc.
- Create a Building Emissions Standard
- Develop Utility Transition Plans





Building Decarbonization Plans and Policies: A Brief Overview



Maryland's Climate Solutions Now Act (CSNA)

- Created nation-leading requirements to reduce greenhouse gas (GHG) emissions
 - 60% reduction in statewide GHG emissions by 2031, net zero GHG emissions by 2045
- Authorizes agencies to adopt regulations to achieve the emission reduction requirements
- Building Energy Performance Standards (BEPS)
- \$5M/year for DHCD to help affordable housing providers achieve BEPS
- \$5M/year for MCEC's Climate Catalytic Capital Fund
- [Building Energy Transition Implementation Task Force](#)
- Climate Transition and Clean Energy Hub
- New EmPOWER goals aimed at reducing GHG emissions and reaching underserved customers
- Studies to find a pathway to all-electric buildings



Building Decarbonization Plans and Policies: A Brief Overview



Building Energy Performance Standards (BEPS)

- Buildings 35,000 square feet and larger to must meet specific energy performance standards, including net zero direct emissions by 2040
- MDE is in the process of developing regulations
- The regulations must include:
 - Energy use intensity targets
 - Net direct GHG emissions targets
- Around 30% of covered buildings already meet the draft 2040 energy use intensity targets
- A different 30% of covered buildings already meet the draft 2040 net direct emissions targets
- Almost all covered buildings will need to make some improvements within the next 17 years to achieve one or both targets



Building Decarbonization Plans and Policies: A Brief Overview



Maryland's Climate Pathway Report

- University of Maryland report shows a path to Maryland's climate goals - to be released this Friday
- MDE will collect public input on the pathway this July through September

New Buildings Sector Policies Under Consideration

- Modifying EmPOWER to allow beneficial electrification (MCCC recommendation)
- Zero-emission standards for space heating and water heating equipment (MCCC recommendation)
- Clean heat standards (MCCC recommendation)

The State's Next GHG Reduction Plan is Due in December

- New policies must achieve a 60% reduction in statewide GHG emissions by 2031



Draft Work Plan



- **June 29 (1-3 pm) - Task Force kick-off meeting and launch of subgroups**
- **July 27 (1-3 pm) - Understanding the cost of decarbonizing buildings, how existing programs cover some costs, and the funding gap**
- **August 24 (1-3 pm) - New and emerging building decarbonization programs**
- **September 28 (1-3 pm) - First draft subgroup recommendations**
- **October 12 (2-4 pm) - Second draft subgroup recommendations**
- **October 26 (1-3 pm) - Endorse/modify/reject subgroup recommendations**
- **November 7 (2-4 pm) - Review the draft task force report**
- **November 21 (2-4 pm) - Finalize the task force report**
- *December 1 - Submit the report to the Governor and General Assembly*
- **December 7 (1-3 pm) - Task Force celebration (and extra meeting if needed)**



Subgroups



- **Large Buildings Covered by BEPS**
 - Ex. Commercial and multifamily buildings 35,000 sq.ft. and larger
- **Small Commercial and Institutional Buildings Not Covered by BEPS**
 - Ex. Commercial buildings smaller than 35,000 sq.ft. and schools
- **Market-Rate Housing Not Covered by BEPS**
 - Ex. Single-family homes and multifamily buildings smaller than 35,000 sq.ft.
- **Limited-Income Housing (Covered and Not Covered by BEPS)**
 - Ex. All affordable housing types under DHCD's purview